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LATE ITEM

SOUTH VIETNAM

Da Nang, in effect, has fallen. General Truong, the regional commander, has abandoned his headquarters and is believed aboard a tugboat in the harbor.

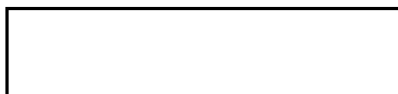
The only South Vietnamese military remaining in Da Nang are marine units, but they are trying to get to the beach to be evacuated. It is doubtful that any of these units can be rescued.

Early this morning, the North Vietnamese began a heavy artillery and rocket barrage against the airport. Many refugees crowding the runways were probably killed. The government was able to get some of its aircraft in the air, but many were destroyed.

Given the imminent arrival of North Vietnamese infantry units in the city, there is little chance that further evacuation of civilians can continue either by sea or air. All Americans have left the city, including the US consul general, who is aboard a tugboat in the harbor.



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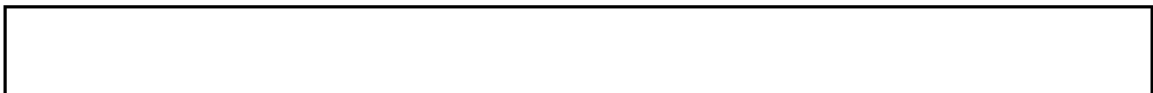
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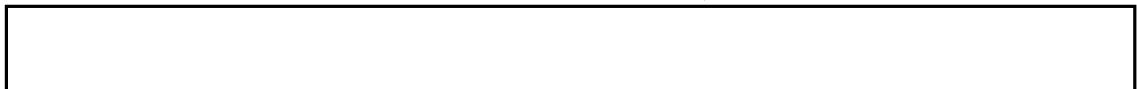
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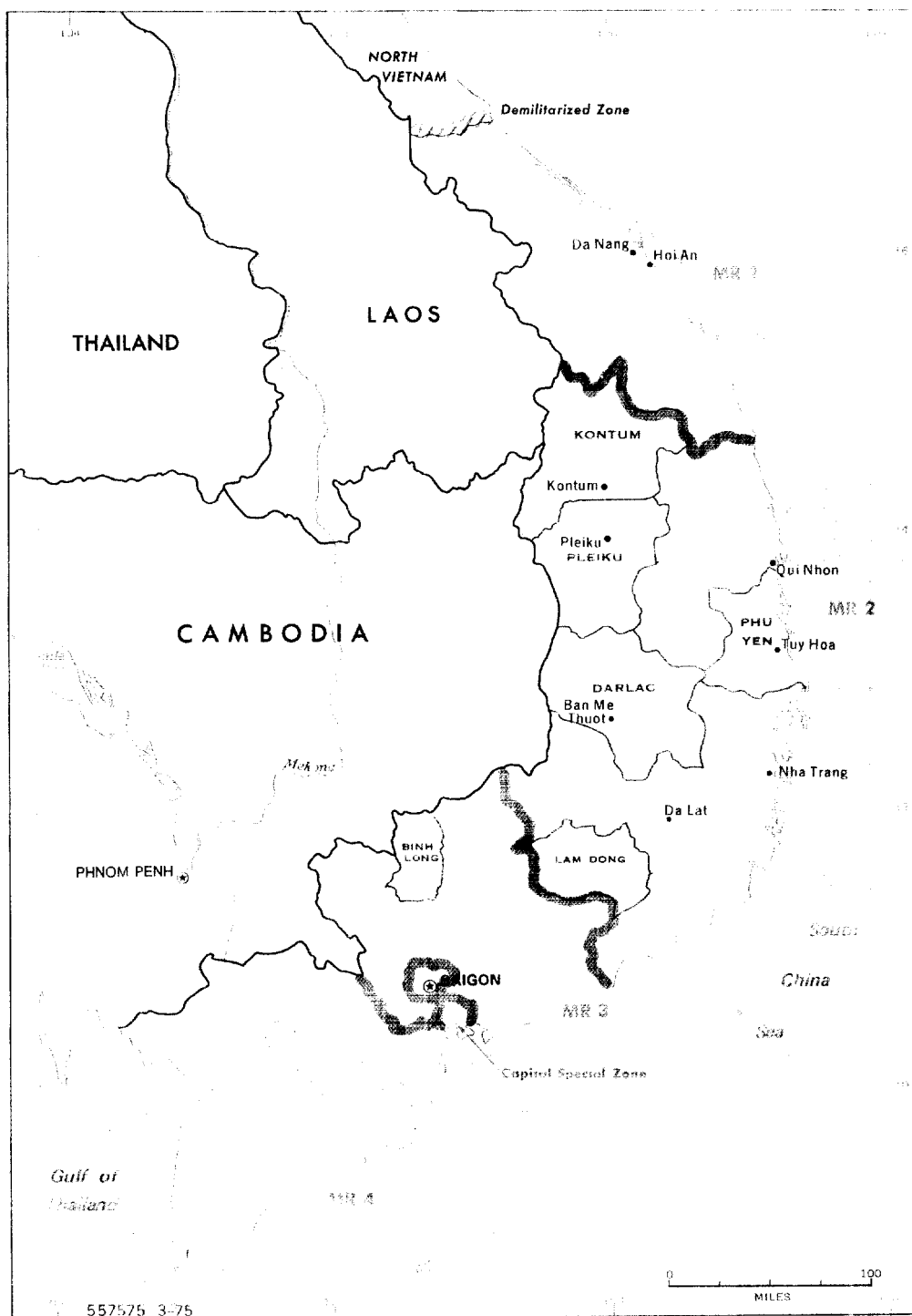
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SOUTH VIETNAM

Refugees and armed stragglers in Da Nang are totally out of control. The airlift from the city's main airfield has been suspended, although some people were evacuated yesterday from the smaller field at nearby Marble Mountain.

25X1 [] the communists have begun to rocket the main airfield. The situation in the port area is similarly chaotic, with ships refusing to come to the docks. Transporting refugees by boat to these ships has proved dangerous and slow. The senior government commander in Da Nang has begun to use marines from his defensive perimeter to reassert control over the mob.

The communists further tightened the noose around Da Nang yesterday by overrunning Hoi An City, 15 miles to the south. At last report, government forces no longer had control of the Hai Van Pass, just north of Da Nang.

Communist forces are closing in on Qui Nhon City from the north, and pressure is also increasing from the west. The situation on the coastal plain south to Nha Trang remains unclear. The Phu Yen Province chief stated yesterday that he had been ordered to hold the capital city of Tuy Hoa. As many as 60,000 persons from the Kontum-Pleiku convoy have arrived in Tuy Hoa. Most of the town's shops have closed, and at least half of the population has fled south toward Nha Trang. There is a report, however, that the communists have moved into the southern districts of the province, and Tuy Hoa may become another isolated government enclave.

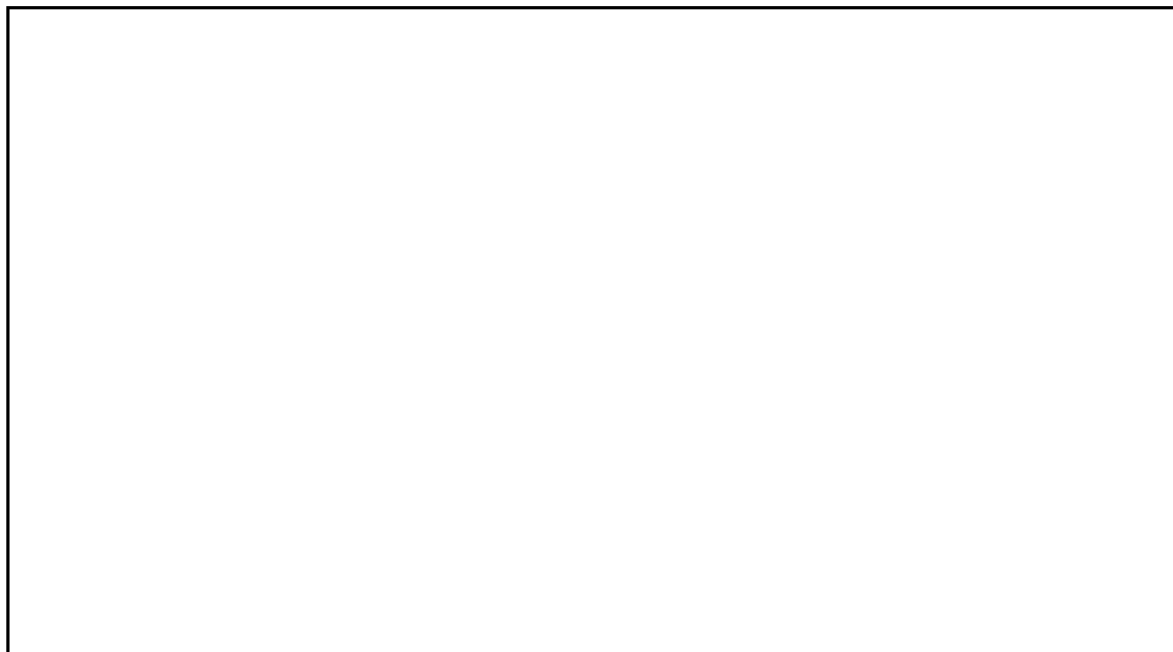
The loss of the mountain province of Lam Dong yesterday brings the communists closer to Da Lat. The road from Da Lat to the coast remains open, however, and much of the city's population has already fled along this route.

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It is not clear how the government intends to bring its units from Military Region 1 to the Saigon area. Even if logistic and transportation problems are solved, it will be very difficult to reconstitute these units as an effective fighting force. Military Region 1 commander Truong has agreed to relinquish command of the 4,000 troops of the South Vietnamese 2nd Division who were evacuated to an island off the northern coast. Senior officials in Saigon are concerned, however, that if they were moved too quickly into Military Region 3 without adequate psychological preparation and without their dependents, the discipline of the troops would disintegrate.

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Meanwhile, the tone of current Vietnamese communist propaganda shows that Hanoi now sees the clear possibility of a final unraveling of Saigon's position and is moving to encourage the political collapse of the Thieu government. Citing a fundamental change in the balance of power in the South, a North Vietnamese party newspaper editorial of March 21 underscored the communist position that only the removal of Thieu could lead to negotiations and a "speedy settlement of South Vietnam's affairs."

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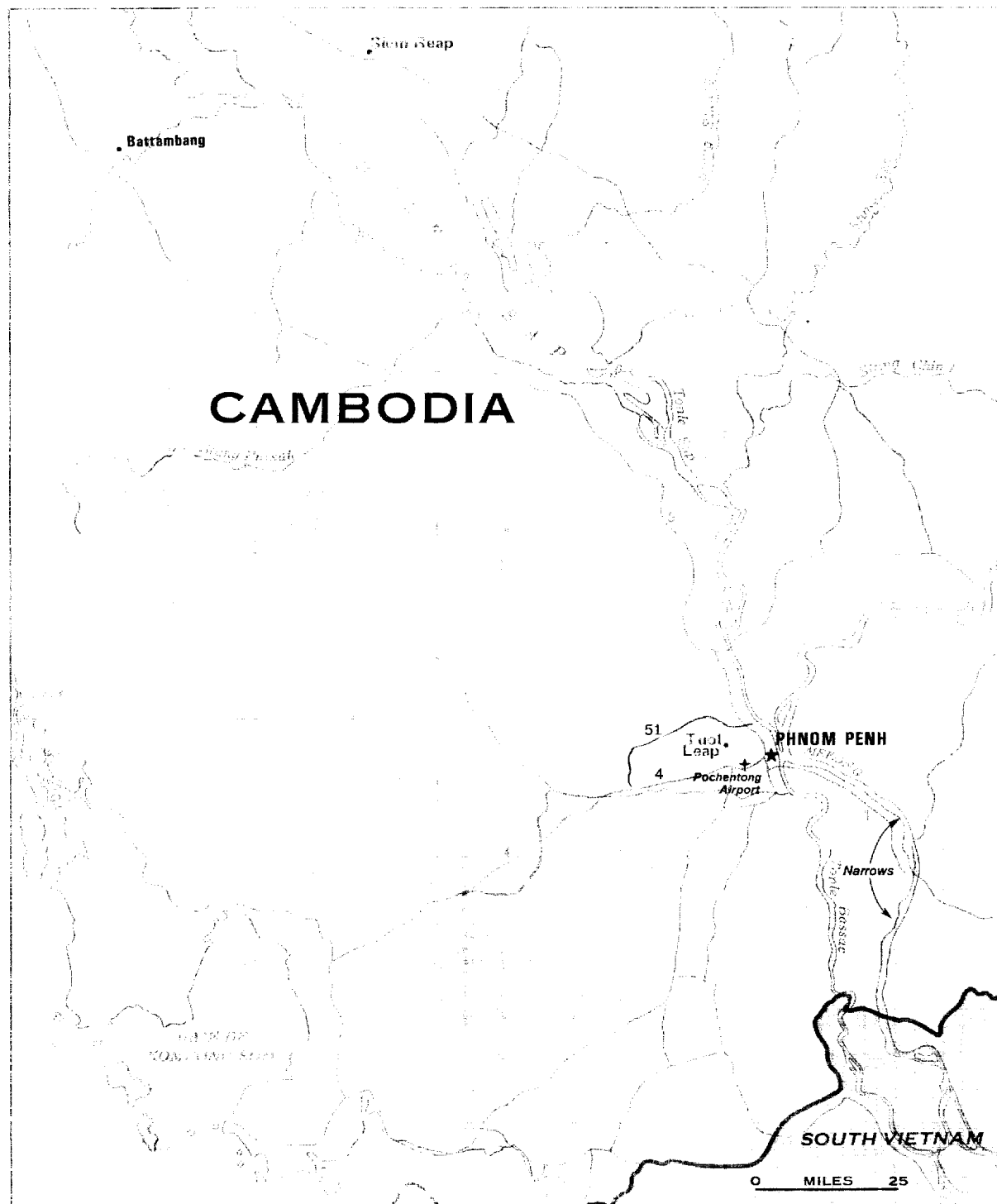
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In an effort to encourage high-level defections from the Thieu government, a Viet Cong statement broadcast to the South on March 26 promised that all generals and senior officials prepared to "implement the Paris Accords seriously" would be treated as members of a "neutralist third force." The broadcast went on to declare that all military personnel and dependents who choose to remain in the rapidly expanding "revolutionary zones" will be "welcomed," and that all officers who defect with their units will be allowed to keep their ranks and be given "important jobs" by the "revolutionary side."

Given the confusion and mounting defeatism in many areas of the country, such appeals could become increasingly effective.



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CAMBODIA

The US airlift operation into Pochentong Airport was suspended yesterday because of concentrated and accurate 105-mm. howitzer fire against the offloading ramp.

The first rounds struck the ramp about 45 minutes prior to the arrival of the first aircraft. Additional rounds hit the ramp 20 minutes after the plane had landed. One round reportedly damaged the primary taxiway that leads to the ramp, rendering it unserviceable for DC-8 operations. Barring any interference from communist fire, it will take an estimated six hours to repair the taxiway.

The communists apparently are adjusting their fire every 24 hours, and the patterns of impacts since March 26 give them the capability to deny the use of Pochentong to sustained airlift operations. Operations cannot be shifted to other parts of the field, because other accommodations for the aircraft are not available. It now appears that unless the government can push the communists out of artillery and rocket range of Pochentong, the airlift may be suspended indefinitely.

Government attempts to retake Tuol Leap have been unsuccessful. Continued command-and-control problems, logistic difficulties, and the diversion of forces to resecure Route 4 have greatly hindered government efforts.

Army elements abandoned a battalion-sized position about four miles northwest of Phnom Penh on Thursday. The local commander stated that without reinforcements, the withdrawal could cause abandonment of other positions. Government troops reportedly are exhausted, and units are understrength from continuous combat. Two battalions recently withdrawn from the upper Mekong are being sent to reinforce the area. Communist pressure is continuing against 7th Division elements along Route 51.

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CAMBODIA

Prince Sihanouk appears to have firmly closed the door on future dealings with any element of the current government in Phnom Penh.

The Prince on March 26 released a list of 21 "war criminals" who would be put on trial following any communist take-over. The list includes all ministers in the newly reshuffled cabinet as well as President Lon Nol's younger brother Lon Non and Saukham Koy, who is constitutionally empowered to assume presidential functions in Lon Nol's absence. The newly named "war criminals" join the list of seven active and retired government leaders whom the communists have said they will execute.

Sihanouk's latest announcement is in marked contrast to his claim in December that he might be able to find a place in his "government" for key Phnom Penh leaders such as Long Boret and Sirik Matak.

For the past several weeks, Sihanouk has been hewing close to the communists' line in his public statements. This appears to reflect and substantiate Sihanouk's claim that he and the communists have reached agreement on his future role and that he will stay on as nominal chief of state following a communist take-over.

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SYRIA

Now that the indirect negotiations between Egypt and Israel have broken down, the Syrians will probably move to try to close ranks with Egypt and chart a common course. President Asad, who was in Libya yesterday, may visit Cairo this weekend.

Radio Damascus, after a day's delay, echoed Egyptian Foreign Minister Fahmi's call of last Sunday for a resumption of the Geneva peace conference, insisting at the same time on the participation of the Palestine Liberation Organization. Otherwise, Damascus has said little officially about the collapse of the disengagement talks.

The private Syrian reaction reportedly has been one of relief, tempered by concern over how the US will react. Damascus had feared President Sadat would make concessions to Israel that would have seriously eroded Syria's own bargaining strength.

In a conversation with Ambassador Murphy on March 24, a journalist who had talked earlier that day with Syrian Foreign Minister Khaddam and another cabinet member portrayed the Syrians' attitude toward Sadat as having undergone a transformation in the past few days. They now are said to regard the Egyptian President as an "Arab patriot" for refusing to agree to a pledge of nonbelligerency with Israel.

Khaddam told the journalist that Syria would follow Egypt's lead on the question of renewing the mandates of the UN peace-keeping forces. The mandate for the force in the Sinai expires on April 24, while the one for the force on the Golan Heights runs out in late May.

The journalist indicated that Syrian leaders are deeply worried that the US will wash its hands of all peace efforts, and added that they appear to be genuinely concerned about the possibility of renewed hostilities. He said he was convinced the Syrian military has a realistic appreciation of Israel's military might and does not want a war. Syrian chief of staff Shihabi told the US defense attaché in Damascus essentially the same thing on Wednesday.

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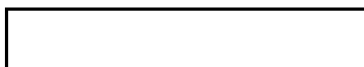
USSR

The Soviet Union reportedly is planning to send a 30-man contingent of Middle East experts to Geneva in early April in expectation of a resumption of the Middle East peace conference. Soviet embassies in the Middle East have been instructed to begin forwarding their reports directly to Geneva on April 1.

Moscow, nevertheless, still seems to have some doubts about when, and if, the talks will be resumed. Y. D. Pyrlin, deputy chief of the Foreign Ministry's Middle East Division, told a US official on March 26 that the Arab positions have not yet clarified and that Moscow did not expect to know where things stand before mid-April.

Palestinian representation at Geneva is one problem facing the Soviets. Pyrlin again expressed Moscow's long-standing exasperation over the disunity in PLO ranks. He claimed that the Soviets, who now publicly recognize Arafat's leadership, are not even able to confer with the Palestinian leader unless members of his entourage are present. Pyrlin gave no sign that Moscow has a clear idea of how to get around the Palestinian representation problem, but he did say that an effort is being made to schedule a visit by Arafat to Moscow in April. This would provide an opportunity to discuss the issue.

On Soviet-Egyptian relations, Pyrlin confirmed that the economic talks have been suspended, but the Soviets expect them to resume by late April or early May. The main issues remaining are the Egyptian debt settlement and the integration of Soviet-Egyptian joint projects into Moscow's new Five-Year Plan. Pyrlin added that Brezhnev would probably not go to the Middle East before autumn.



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NATO

An inconclusive meeting of Dutch and Belgian defense and foreign ministers on March 25 portends further delay in the decision by the consortium of Belgium, the Netherlands, Denmark, and Norway on a replacement for their F-104 aircraft. There is increasing evidence that Norway and Denmark have decided to purchase the US F-16.

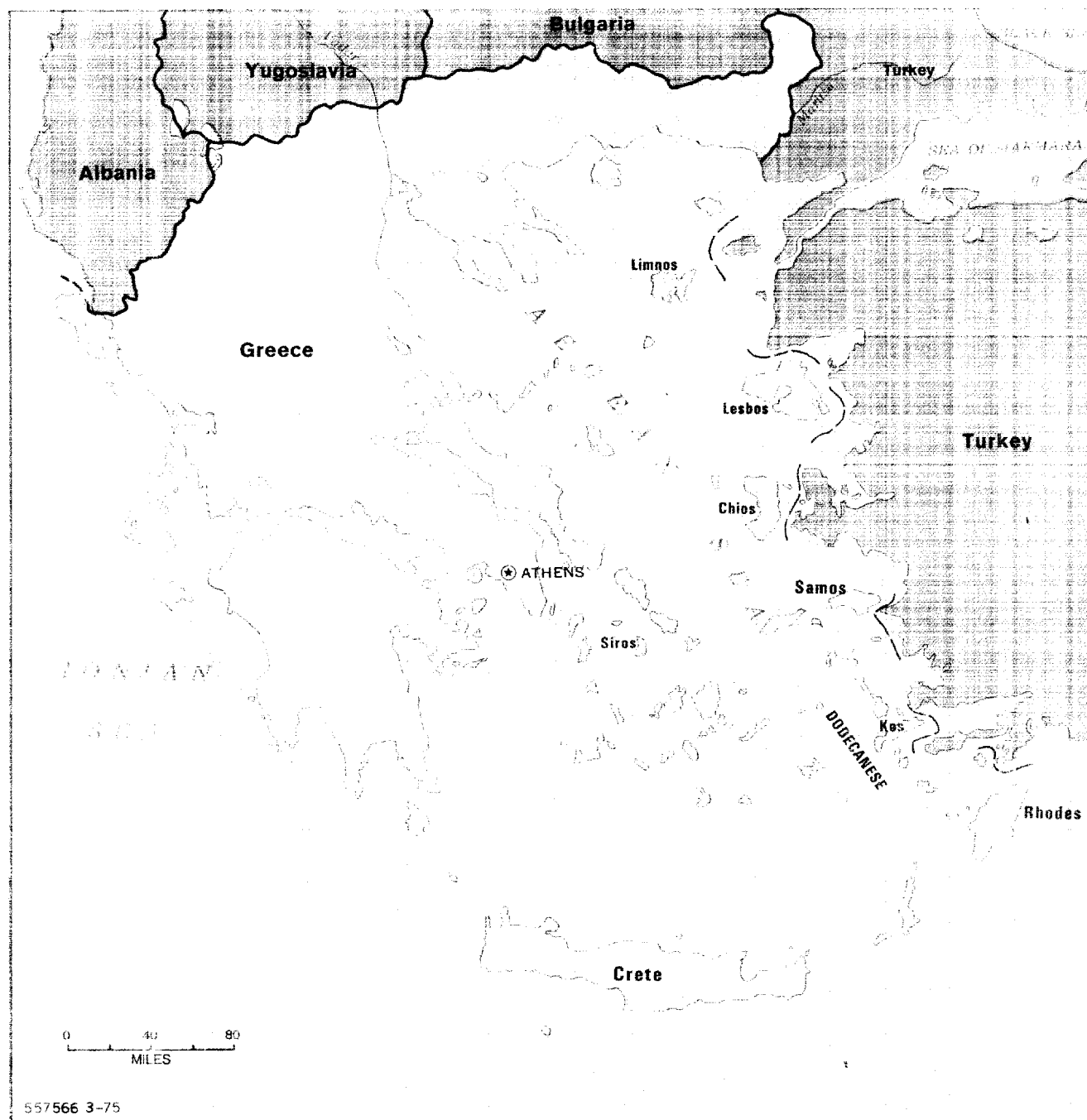
The Belgians appear to be delaying a choice in order to ensure fullest consideration of new offers by the French. Prime Minister Tindemans, nevertheless, may try to eliminate further delay on the grounds that the controversy is aggravating domestic tensions--the French-speaking element favors the F-1E Mirage, while the Flemish-speakers back the US plane.

Tindemans also claims that it would be "politically impossible" within the NATO framework for Brussels to make a unilateral decision on its F-104 replacement. He insists that the Belgian selection would have to be the same as at least one of the other members of the consortium.

The final Belgian position may be influenced by the degree of Dutch Defense Minister Vredeling's political clout. Vredeling seems to have retreated somewhat from previous support for the French Mirage F-1E and now may lean toward the F-16. One faction within his Socialist Party, however, is against any replacement for the F-104, while another favors reducing the role of the Dutch air force and buying a cheaper, less versatile aircraft. If, after convincing his party--the dominant partner in the coalition government--that an advanced aircraft is required, Vredeling continues his swing toward the F-16, the Belgians might decide to abandon their support for the Mirage F-1E. Otherwise, a consensus or a single choice by the consortium may be virtually impossible.

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GREECE-TURKEY

The Greeks are responding more aggressively to Turkish overflights of the Aegean islands because they believe Ankara is testing their resolve on the Aegean sovereignty issue. Greek Defense Minister Averoff yesterday told US Ambassador Kubisch this was the reason the Greek government had authorized commanders to open fire on the Turkish planes and Greek fighters to intercept the Turkish aircraft.

Averoff said that--in addition to the overflights last week--there had been at least four flights over Greek airspace on Thursday. Two were over Chios, one over Lesbos, and one over Samos. In accordance with instructions, Greek personnel on the islands fired at the Turkish aircraft with 40-mm. automatic weapons. The US ambassador described the firing as "symbolic" and believes the Greeks wanted not to hit the aircraft but simply to raise the level of response as a further warning to the Turks. The Turkish planes were well out of the range of the Greek weapons, and an interceptor aircraft from Limnos arrived after the Turkish aircraft had left.

The reinforcement of some of the islands in recent weeks contravenes the terms of international treaties. The Turks may be attempting to acquire photographic evidence to support the aide-memoire they circulated last week charging Athens with violating such treaties.

Last spring, Ankara did test Greek sovereignty in the Aegean by sending a hydrographic vessel with a naval escort into the disputed area. The absence of a strong government in Ankara and of firm lines of authority at this time increases the possibility that decisions on further overflights could be made on a military rather than a cabinet level.

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PORTUGAL

Portugal's newly formed Revolutionary Council has taken several steps in the past few days to prevent the disruption of the electoral process.

Yesterday, the council approved legislation allowing the armed forces to detain violators of electoral laws for up to 30 days before turning them over to civilian authorities. Offenders are subject to penalties of up to eight years' imprisonment and fines of up to \$4,000.

The council has also outlawed the extremist Reorganizing Movement of the Proletariat Party. According to press reports, the party had refused to drop the hammer and sickle from its party symbol, angering the Communists, who have vehemently protested the use of variations on their emblem by left-wing splinter groups. The Communists demand that each party have a different symbol so as not to confuse illiterate voters.

The Reorganizing Movement was one of the three parties barred from the constituent assembly elections. The party is expected to move underground and try to disrupt the campaign.

These measures, plus previous legislation, give the authorities the power necessary to keep elections peaceful and troublemakers out of circulation. Extremist demonstrations had been banned in the past, but no action had been taken against the demonstrators who ignored the ban.

During the past week, President Costa Gomes' comments to several NATO ambassadors revealed how sensitive the Armed Forces Movement is to any intimation of foreign intervention. Costa Gomes bitterly complained to most of the ambassadors about the niggardliness of Western aid and the unfairness of foreign press criticism of the new government.

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Communist Party leader Cunhal, meanwhile, has already attacked the non-communist participants in the new provisional government. Cunhal accused the Popular Democrats of "benefitting from all the advantages of participating in the government without carrying out the obligations which arise from this participation."

The Popular Democrats, according to Cunhal, are holding the government back from the "progressive course" it should be following. The Popular Democrats and the Communists have repeatedly accused each other of using violence to break up the other's political meetings. The Communists were unsuccessful in their campaign to have the Popular Democrats excluded from the new government.

Communist criticism of the Socialist Party has been less intense. The Communists still officially claim that they want to cooperate with the Socialists.

The Socialists, on the other hand, have not hesitated to publicize their unhappiness about the makeup of the new cabinet. They have objected strongly to the addition of ministers from the Communist-influenced Portuguese Democratic Movement, and they issued a statement yesterday criticizing the composition of the cabinet. The Socialists explained that they had agreed to remain in the government only because their absence would "imperil the consolidation of democracy."

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VENEZUELA

A meeting of army commanders from several Latin countries, scheduled to begin in Caracas early next week, gives another indication of Venezuelan President Perez' aspirations for regional leadership. This is the first time such a high-level military gathering has been scheduled without the US having been invited.

Army leaders from Argentina, Bolivia, Chile, Colombia, Ecuador, Panama, and Peru are expected to be present. Antiguerilla operations, arms limitation, difficulties in arms procurements, and US policy on foreign military sales are likely topics of discussion.

Adverse reaction could come from the Latin countries not invited--principally Brazil, Mexico, Paraguay, and Uruguay. Having their own goals of leadership roles in the area, Brazil and Mexico may be particularly upset by the meeting.

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PHILIPPINES

The Philippine government appears to be backing off from a second round of talks with the Moro National Liberation Front next month in Jidda, Saudi Arabia.

Manila has been publicizing a letter from the Front that says it will not participate unless the Filipinos accept in advance its demand for Muslim autonomy. President Marcos cannot accept a negotiated settlement involving autonomy, which he sees as tantamount to relinquishing the Muslim-populated areas, but he recognizes the difficulty of forcing a military solution to the Muslim insurrection.

To avoid the appearance of doing nothing, President Marcos is calling for wider ranging discussions in April at home with representatives of all Muslim dissident groups. He apparently expects that Muslim diehards will reject the offer, although some Front members who have surrendered may provide a token presence.

The Philippine government agreed to the initial round of talks in Jidda in January, primarily to appear responsive to Islamic pressure on behalf of Filipino Muslims. Manila found its negotiating position weakened by the venue and by the coaching given the rebels by their Islamic brethren. Manila was also disturbed by the international stature accorded the Front, which the Filipinos argue is only one of several disparate Muslim rebel groups, albeit the best organized.

Marcos feels encouraged by the fact that Indonesia, which has been in the forefront of regional attempts at mediation, resented the Arab interference. He may calculate that his gesture regarding holding new talks in the Philippines will at least deflect any charges of Philippine footdragging when the Islamic conference convenes in Cairo in May.

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NORTH KOREA

Pyongyang's interest in trading with the West is being acknowledged more openly in its domestic propaganda. A speech by Kim Il-song broadcast over Pyongyang radio earlier this month is the first occasion in which North Korea has admitted to its own people the need to purchase materials and machinery outside the socialist market. Although trade with the West has been growing for several years, Kim's previous references to it have always been confined to interviews with foreign media that were not publicized by Pyongyang.

North Korean trade with the non-communist countries jumped from \$120 million in 1970 to about \$800 million last year and now accounts for roughly half of the country's total trade. Most of the increase has been in imports from the West. Since 1970, Pyongyang has signed contracts with firms in Japan and Western Europe for nearly \$600 million worth of industrial plants and related equipment.

Credit financing for industrial imports and grain purchases has permitted North Korea to run large trade deficits with the non-communist world--\$170 million in 1973 and about \$400 million last year. Exports to the West consist largely of nonferrous metals, steel products, and silk.

The recession in the West resulted in reduced demand and falling prices for North Korean goods, particularly nonferrous metals. Although the failure of exports to keep pace with rapidly rising imports has led to serious payment problems, Pyongyang appears to be pushing ahead with its program of trade expansion with the West. The North Koreans are inquiring about new plants, seeking additional loans, and even attempting to purchase long-range transport aircraft.

In his recent speech, made to a meeting of industrial activists, Kim noted that trade confined to the socialist countries is no longer sufficient for the

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North's developing economy. The decision to publicize the address, which called on export industries to improve their work, may have been prompted by the serious difficulties Pyongyang has encountered in financing its trade deficit, as well as its desire to overcome a reputation for inferior merchandise. Kim did not acknowledge the foreign exchange problems, concentrating instead on the need for high-quality exports in order to earn the "confidence of the international market."

A major element in Kim's philosophy of nation-building, as expressed in North Korean media, has been an insistence on substantial--but not total--economic self-sufficiency. In his speech to the industrial activists, Kim was careful to note that he was aware of the "intrinsic defects" of a capitalist economy and would not allow Pyongyang to become dependent on the capitalist market for raw materials.

This point was reiterated in a North Korean news agency report of March 17, which asserted that North Korea meets more than 70 percent of its demand for industrial raw materials domestically and relies on the socialist countries for the rest, thereby safely insulating the country from the "worldwide crisis of the capitalist economy."

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ZAMBIA-RHODESIA

Zambian authorities are cracking down on all Rhodesian insurgent groups that have continued to maintain their own bases in Zambia since their leaders agreed to merge in the umbrella African National Council last December. President Kaunda is using the need to apprehend the assassins of Herbert Chitepo, a Rhodesian insurgent leader killed in Lusaka last week, as an opportunity to neutralize insurgent elements that have been resisting a genuine unification of the Rhodesian nationalists.

The Zambian move weighs most heavily on the former Zimbabwe African National Union, the most militant of the insurgent groups and the one that has carried out almost all of the guerrilla activities in Rhodesia.

The Zambians acted the day after the funeral of Chitepo, who died in a bomb explosion on March 18. Convinced that Chitepo was the victim of tribal-based feuding within his own group, they reportedly decided on March 22 to arrest all members of the group who might have been involved in the assassination. Kaunda also decided to close down all the offices and guerrilla bases in Zambia belonging to two smaller insurgent groups that had signed the merger agreement.

Kaunda and the other African leaders who helped arrange the truce between the Rhodesian insurgents and Prime Minister Smith last December have tried unsuccessfully to make the rival insurgent groups pool their resources under a unified command that would be responsive to the leaders of the African National Council who are based in Rhodesia. Moreover, the detention of the National Union officials may also help ease the pressure from hardliners within the group who have been pressing Kaunda and the other African mediators to renew the insurgency.

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FOR THE RECORD

Middle East: The commander of the Palestine Liberation Army has resigned after a dispute with PLO leader Yasir Arafat. [REDACTED] Major General Mahmud Azzam, a former deputy commander of the Syrian air force, was appointed to replace him. Syrian President Asad, despite his close relations with outgoing commander Budayri, apparently agreed to Arafat's request to replace him. A former Syrian military officer and a trusted Baath Party member, Azzam could bring greater Syrian influence and control over the Palestine Liberation Army. The appointment might help solve one of Arafat's immediate problems, but over the longer run it could weaken his ability to control or isolate the Palestine Liberation Army. [REDACTED]

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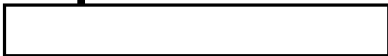
Angola: After a week of sporadic fighting in which some 50 persons reportedly were killed, Angola's two major rival liberation groups agreed yesterday to a cease-fire. The National Front for the Liberation of Angola and the Popular Movement for the Liberation of Angola signed the agreement following mediation by the Portuguese foreign minister and the minister for overseas territories. The National Union for the Total Independence of Angola, the third liberation group participating in the transitional government, also pledged to respect the cease-fire. Under the terms of the agreement, the liberation groups will limit to 500 the number of troops they will maintain in the capital. Each group will also be allowed to contribute 100 men to a mixed police force. The agreement, however, will probably provide only a temporary halt to the violence in the troubled territory.

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